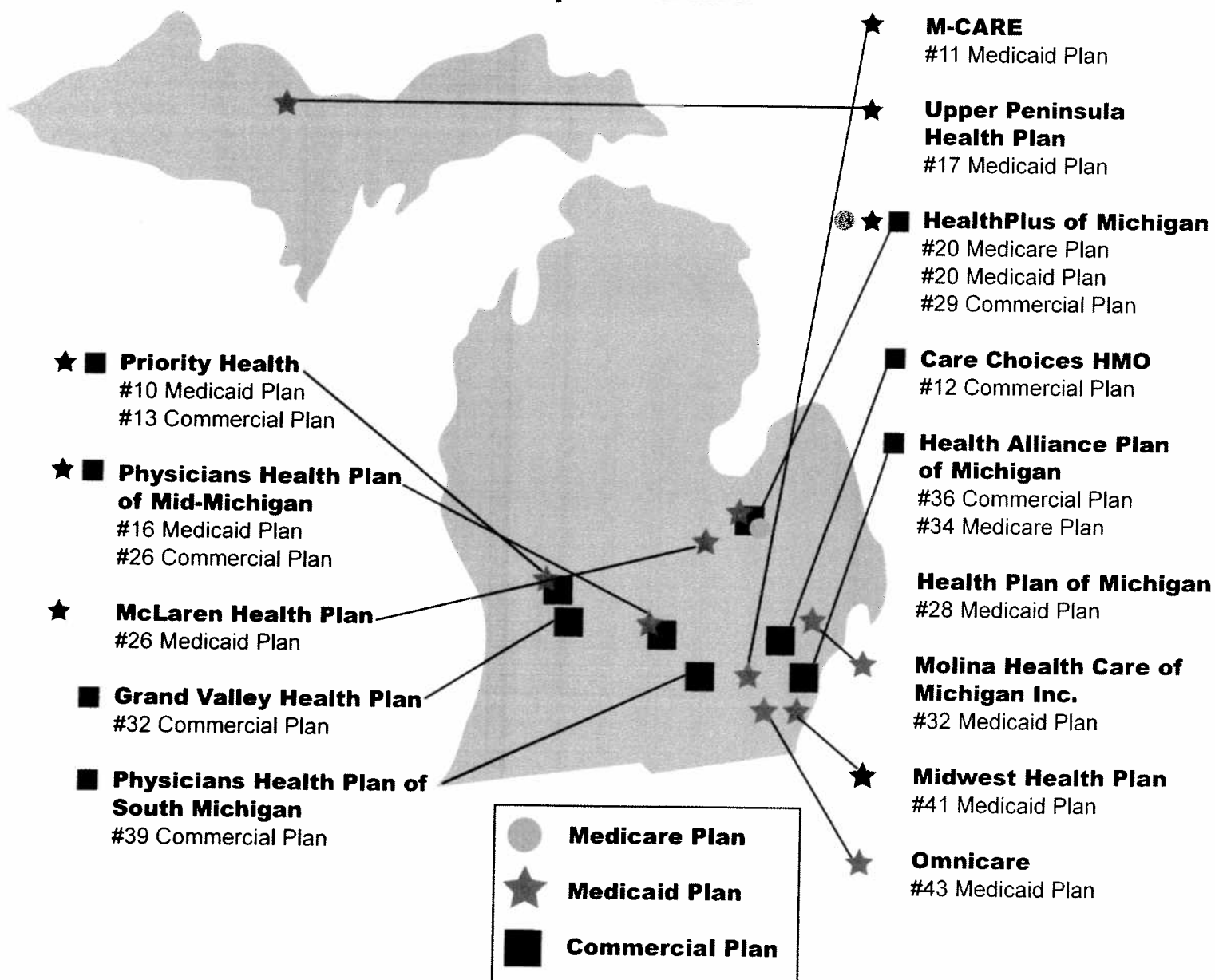


America's Best Health Plans

National rankings, based upon performance published each year by *U.S. News & World Report*, continue to show Michigan's health maintenance organizations are among the best in the country.

7 of the top 50 Commercial Plans
10 of the top 50 Medicaid Plans
2 of the top 50 Medicare Plans



HAP ePrescribing Health Care Technology

solutions powered by 

(813) 872-3100 www.hap.net

2,200,000 PRESCRIPTIONS SENT ELECTRONICALLY TO DATE

Health Alliance Plan (HAP), in collaboration with the Big Three automakers and Henry Ford Health System (HFHS), leads one of the country's largest, employer-driven ePrescribing initiatives to improve patient safety and reduce prescription drug costs. Henry Ford Medical Group (HFMG) physicians use a personal computer or wireless device to order or renew prescriptions and transmit them over the Internet to retail and mail-order pharmacies. HAP and Henry Ford provide training and ongoing support to office personnel. HAP provides the funding support and project management.

The benefits of ePrescribing impact four of the six critical dimensions of quality healthcare identified in the Institute of Medicine's (IOM) 2001 *Crossing the Quality Chasm* report:

SAFE: avoid injuries to patients from care that is intended to help

- Reduce rate of drug interactions
- Eliminate legibility issues and subsequent medication errors

Results:

More than 200,000 prescriptions changed or cancelled due to drug to drug interaction warnings

More than 15,000 prescriptions changed or cancelled due to drug/allergy warnings

77% of physicians agree that ePrescribing improves the safety of the care patients receive

75% of physicians agree that ePrescribing improves the quality of the care patients receive

EFFICIENT: avoid waste of equipment, supplies and resources

- Eliminate or reduce "paper based" processes in the clinic
- Reduce staff time required for prescription renewal process
- Reduce pharmacy call backs to physician office

Results:

More than 80,000 prescriptions changed/cancelled due to formulary warnings

More than 30,000 prescriptions generated per week

72% of physicians use ePrescribing for 81-100% of their scripts

57% of physicians agree that ePrescribing reduces the total time spent by support staff on managing dictations

EFFECTIVE: avoid underuse and overuse

- Improve ability to track patient medication adherence
- Increase formulary adherence rate
- Increase generic use rate

Results:

HFMG has improved its generic use rate overall from 56.7% to 70.5% (24% improvement)

85% of physicians agree ePrescribing has improved the practice of medicine at their clinic

PATIENT AND PHYSICIAN CENTERED: providing responsive care

- Eliminates waiting at pharmacy; **70% of physicians agree that ePrescribing improves patient satisfaction**

(CONTINUED ON BACK)

HAP ePrescribing Health Care Technology

HAP ACCELERATES ePRESCRIBING IN MICHIGAN

The Big Three automakers looked to HAP and the HFHS to accelerate the adoption of ePrescribing in Michigan. The successful launch at Henry Ford is a fine example of what is planned across Michigan and provides the catalyst for other health plans and organizations to pursue in selecting and adopting health information technology.

Because of the leadership and commitment of HFHS and HAP to be the first to embrace and adopt ePrescribing, the path is cleared for others. United Physicians Group has engaged HAP to guide their ePrescribing launch. United Physicians is an organization of 1,900 independent doctors practicing in southeast Michigan. Future expansion plans in 2007 include: Bi-County Emergency Department and Huron Valley Physicians Association.

What Others Are Saying About ePrescribing:

- At a recent meeting of the Detroit Economic Club that featured HHS Secretary Michael Leavitt, GM chairman Rick Wagoner said,
"We have had great success with ePrescribe initiatives in Southeast Michigan including a corroborative effort supported by Ford Motor, DaimlerChrysler, Medco Health and supported by the UAW and the state of Michigan."
"In one instance, doctors at HAP and the Henry Ford Medical Group have been writing prescriptions by computer rather than by hand since 2004. Of the 1.7 million prescriptions written so far, more than 150,000 prescriptions have been changed thanks to early detection of drug-to-drug interaction."
- In a press release announcing the 500,000 milestone, Marsha Manning, Manager of Community Health Initiatives at GM said,
"General Motors commends Henry Ford Medical Group and HAP for achieving this significant [one million] milestone. The organization and its physicians have demonstrated thoughtful leadership in the area of electronic prescribing," said Marsha Manning, manager of Community Health Initiatives at GM. "We must all work together – businesses, the health care industry and consumers – to find solutions to controlling health care costs. This is a real life example of a collaboration that's contributing to higher quality and a more cost effective delivery system right here in southeast Michigan."

Michigan jumped from the 10th most ePrescribing state to the 6th in 2006, and the HAP-HFHS ePrescribing program was a critical factor in this dramatic progress. SureScripts recognized the HAP-HFHS program at their yearly press conference in February 2007 and awarded two HFMG primary care physicians with their Safe-Rx Award* for outstanding leadership through their use of ePrescribing technology. Results are based on an analysis of data transacted over the Pharmacy Health Information Exchange.

ePrescribing Success in Michigan



Matt Walsh – Health Alliance Plan, Associate Vice President of Purchaser Initiatives

Who is Health Alliance Plan (HAP)?

	<u>HAP</u>	<u>Alliance Health & Life (AHL)</u>	<u>HAP Preferred (PHP)</u>	<u>National Network Product</u>	<u>Solo</u>
Products	HMO, POS, Medicare Advantage & Medicare Comp.	EPA, POS PPO, Medicare Advantage	EPA POS PPO	Self-Funded & Insured Products Including CDHP	Individual Health Plan
Funding Arrangement	Fully Insured	Fully Insured	Self-Funded, External & Internal TPA	Affiliation	Insured by AHL
Rating System	Community-Rated	Experience-Rated	Self-Funded	Self-Funded & Insured	Rated using the health status of the individual
Target Market	All Groups	All Groups	Groups over 100	Groups over 50	Individual
Service Area	SE Michigan	SE Michigan	SE MI w /3 rd Party Vendor Coverage Throughout State	National	9 Counties in SE MI

- ☐ Michigan-based; not for profit company
- ☐ More than four decades of leadership and experience
- ☐ Diverse portfolio of products
- ☐ Approximately 2,400 employer groups and 570,000 members
- ☐ National Committee for Quality Assurance (NCQA) Accredited



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Information Technology and Healthcare

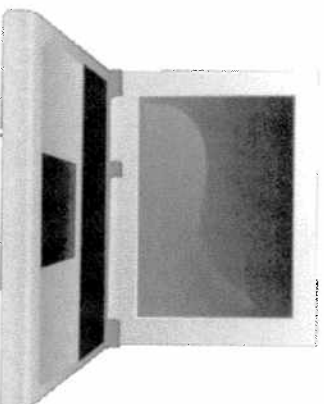
- ❑ HAP believes that everyone benefits from technology investments in healthcare:
 - Enables improvement in the quality and efficiency of patient care
 - Defines and captures measurable results
 - Allows for the rapid spread across physician network
 - Provides a permanent solution
- ❑ HAP has partnered and invested in the development of several market-leading solutions
 - ePrescribing
 - eVisits
 - Provider and Member Tools
 - HealthTrack
 - Automated Referral Application

powered by



What is ePrescribing?

- ☐ ePrescribing is a software application accessed through the Internet
- ☐ It allows physicians to access a patient's medication history and insurance information
- ☐ It automatically checks and alerts physicians of any drug to drug, drug allergy, or insurance coverage issues during the prescription process
- ☐ It immediately delivers the prescription to the pharmacy of the patient's choice electronically



Patient

- In office visits
- Call in renewals

Physician

- Medication History
- Insurance Information
- Drug to Drug Alerts
- Drug Allergy Alerts

Pharmacy

- Retail
- Mail Order

powered by



Why Do ePrescribing?

- ☐ The Centers for Medicare and Medicaid Services estimates that ePrescribing could eliminate as many as 2 million harmful drug events each year
- ☐ A 1 percent increase in the nation's generic prescription use rate would generate savings of \$1.3 billion
- ☐ Physicians using ePrescribing increased their generic substitution rates by more than 15%

How does ePrescribing Accomplish These Benefits?

- ☐ **Safe** - avoiding injuries to patients from care that is intended to help
 - ☐ Reduces rate of drug interactions
 - ☐ Eliminates legibility issues and subsequent medication errors
- ☐ **Effective** - avoiding underuse and overuse
 - ☐ Improves ability to track patient medication adherence
 - ☐ Increases generic use and formulary adherence rate
- ☐ **Efficient** - avoiding waste of equipment, supplies, and resources
 - ☐ Eliminates or reduces “paper based” processes in the clinic
 - ☐ Reduces staff time required for prescription renewal process
 - ☐ Reduces pharmacy call backs to physician office
- ☐ **Patient centered** - providing care that is responsive to patient values and needs
 - ☐ Reduces process time for patients (eliminates waiting at pharmacy)

What HAP Has Accomplished...

- ☐ General Motors asked HAP to become the thought leaders in the area of ePrescribing because of our unique attributes:
 - ☐ Integrated System with the Henry Ford Medical Group (HFMG)
 - ☐ Focus on technology to improve the quality and efficiency of patient care
 - ☐ Ability to deliver on commitments
 - ☐ Proven track record on implementations
- ☐ We conducted a software selection process and we designed, built and delivered an integrated ePrescribing solution to the Henry Ford Medical Group physicians within 3 months
- ☐ Implemented, trained and supported ePrescribing for over 900 physicians and 2,500 clinic staff at 26 clinic locations throughout southeast Michigan
- ☐ Identified, tracked, and resolved over 250 system bugs and enhancement requests

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☐ Over 2,200,000 PRESCRIPTIONS SENT ELECTRONICALLY

- ☐ Over 31,000 prescriptions generated per week
- ☐ Over 200,000 prescriptions cancelled due to drug to drug interaction warnings
- ☐ Over 15,000 prescriptions changed due to drug/allergy warnings
- ☐ Over 80,000 prescriptions changed or cancelled due to formulary warnings
- ☐ HFMG has improved its generic use rate by 14%
- ☐ HAP's has improved its overall generic use rate to 70.3%

ePrescribing Results

☐ **Physician and Patient Feedback**

- ☐ 70% agree that ePrescribing improves patient satisfaction
- ☐ 85% agree that ePrescribing has improved the practice of medicine at their clinic
- ☐ 75% agree that ePrescribing improves the quality of the care that patients receive
- ☐ 77% agree that ePrescribing improves the safety of the care that patients received
- ☐ 72% said they use ePrescribing for 81-100% of their scripts
- ☐ Patients report satisfaction with elimination of script drop off and reduction in wait times at pharmacy

ePrescribing Results – Financial Return on Investment

- ☐ HAP's initial investment of over \$2 million reaps total community savings of over \$4 million per year
- ☐ Key sources of cost reduction benefit are:
 - ☐ GUR Improvement – \$3 million/year
 - ☐ Administrative savings – \$560,000/year
 - ☐ Estimated impact of reduced adverse drug events (ADEs) – \$540,000/year
- ☐ These benefits are community wide:
 - ☐ Patient
 - ☐ Employer
 - ☐ Provider
 - ☐ Insurer
- ☐ These numbers do not include benefits that could be achieved from Medicare and Medicaid active participation

HAP's ePrescribing Recognition

- ❑ HAP's ePrescribing Initiative was cited as a “model for the future” in US Congressional testimony in 2006
- ❑ Program was highlighted by Rick Wagoner (GM CEO) and US Health and Human Services Secretary Michael Leavitt at the Detroit Economic Club in 2007
- ❑ Michigan moved from the 10th to the 6th most ePrescribing state in 2006. SureScripts highlighted our program as the critical factor to this improvement

As a result, HAP has had the opportunity to partner with several other physician organizations in Michigan...

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Expanding ePrescribing

- ☐ **United Physicians / Premier Physicians Network**
 - ☐ 1,864 physician IPA with 476 Primary Care Physicians (PCPs); focused primarily in Oakland and Macomb counties
 - ☐ UP has set a goal of having 300 physicians ePrescribing by the end of the year
 - ☐ Work Accomplished To Date
 - ☐ 70 physicians launched to date; 96 additional physicians committed
 - ☐ Over 50,000 electronic scripts generated
 - ☐ Now generating over 10,000 electronic scripts per month
- ☐ **Huron Valley Physicians Association (HVPA)**
 - ☐ 600 physician IPA with 150 PCPs; focused primarily in Washtenaw county
 - ☐ HVPA goal is to have 80 primary care physicians ePrescribing by the end of the year
 - ☐ Work Accomplished To Date
 - ☐ First two practice launches completed
- ☐ **Michigan State Medical Society**
 - ☐ 2,800 physicians statewide

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Key Conclusions

- ☐ **ePrescribing provides community-wide benefit in the areas of:**
 - ☐ Safety
 - ☐ Efficiency
 - ☐ Effectiveness
 - ☐ Patient focus
- ☐ **ePrescribing shows measurable financial value in the areas of:**
 - ☐ Improved generic use rate
 - ☐ Streamlined administrative processes
 - ☐ Reduced adverse drug events
- ☐ **Implementation support is as critical as incentives**
- ☐ **Southeast Michigan is nearing the tipping point of adoption**
- ☐ **Legislative encouragement of community partnerships and support for adoption will enhance the effort**

Key Conclusions

- ❑ **Community collaboration is key. Southeast Michigan ePrescribing Initiative has been a critical success factor**

GM, DaimlerChrysler, Ford

Are the champions for this initiative. The mission is to improve the health & safety of their employees, retirees and their families

Health Plans

The positive response from the leading Health Plans have enabled over 2,000 physicians to implement e-Prescribing solutions

Providers

This successful implementation of ePrescribing at the Henry Ford Medical Group and set the community-wide standard very high and has led to several additional successful provider implementations

Medco

Is the leading Pharmacy Benefit Manager (PBM) for the automotive companies and is providing project management and consulting services for this initiative

RxHub

Has built the infrastructure required to support the secure, bi-directional exchange of patient-specific prescribing information between physicians and benefit managers

SureScripts

Has built the infrastructure required to support connectivity of electronic prescribing to retail chains and community based pharmacy

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Testimony Regarding the Benefits of Health Information Technology

Michigan House of Representatives Health Policy Committee

Thomas Lauzon

Vice President and Chief Information Officer

Health Plan of Michigan

June 7, 2007



About Health Plan of Michigan

- A Michigan-based company
- Owned by a Physician and an IT Professional
- Medicaid health plan contracted with the Michigan Department of Community Health
- Physician and provider-friendly
- Member Focused
- Committed to Quality
- NCQA “Excellent” Accreditation
- State of the Art Technology

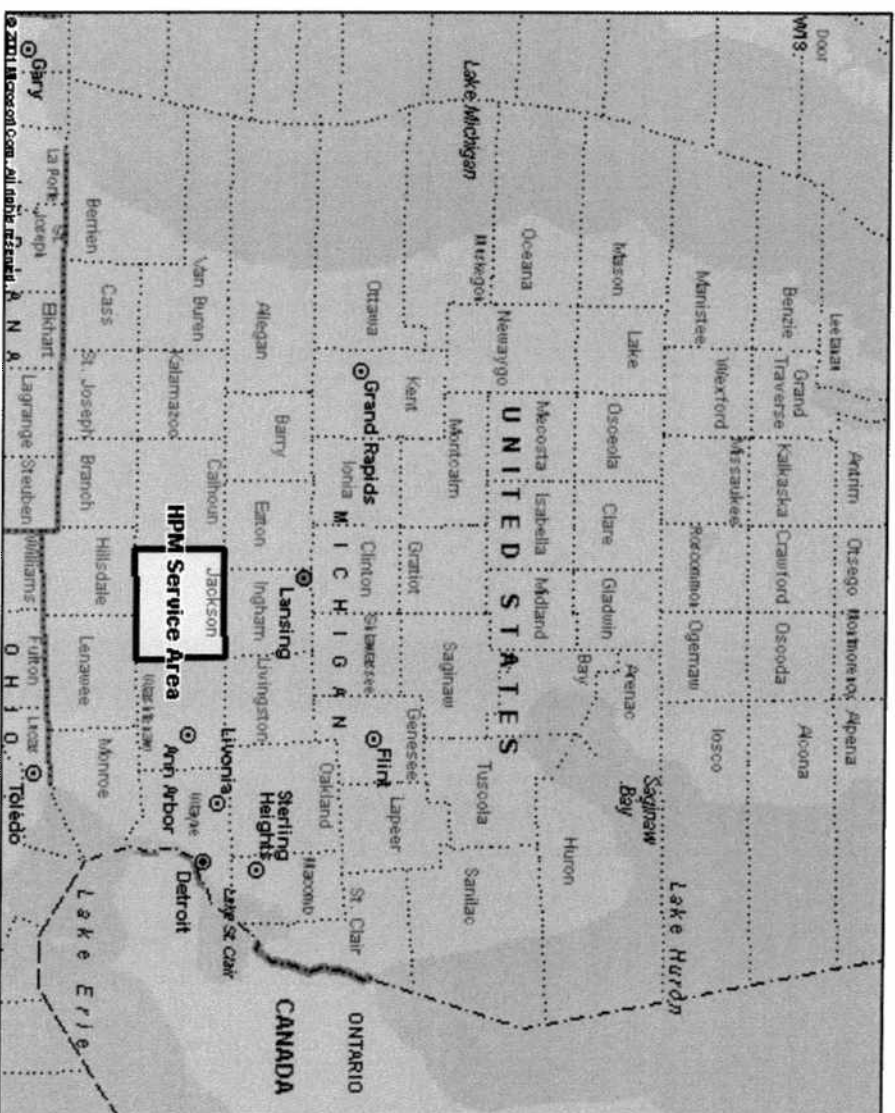


HPM Growth and Expansion

- Currently 3rd largest Medicaid HMO in MI
 - 129,000 Members
 - 33 Counties
- Ranked 28th among all Medicaid health plans in the country by U.S. News and World Report
- Average growth rate of 31% per year from 2000 through 2006
- Growth based on member and provider choice, with no mergers or acquisitions since 2000

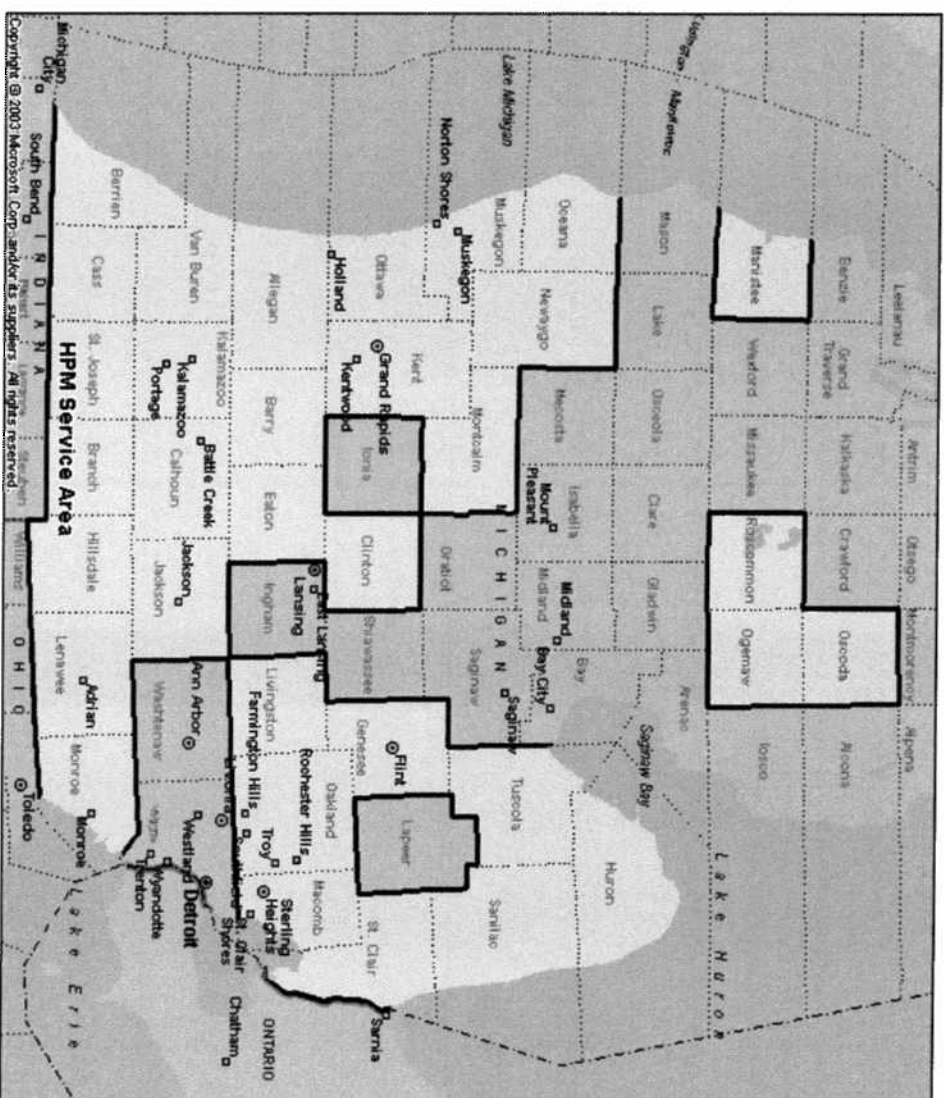


Service Area - January 1997



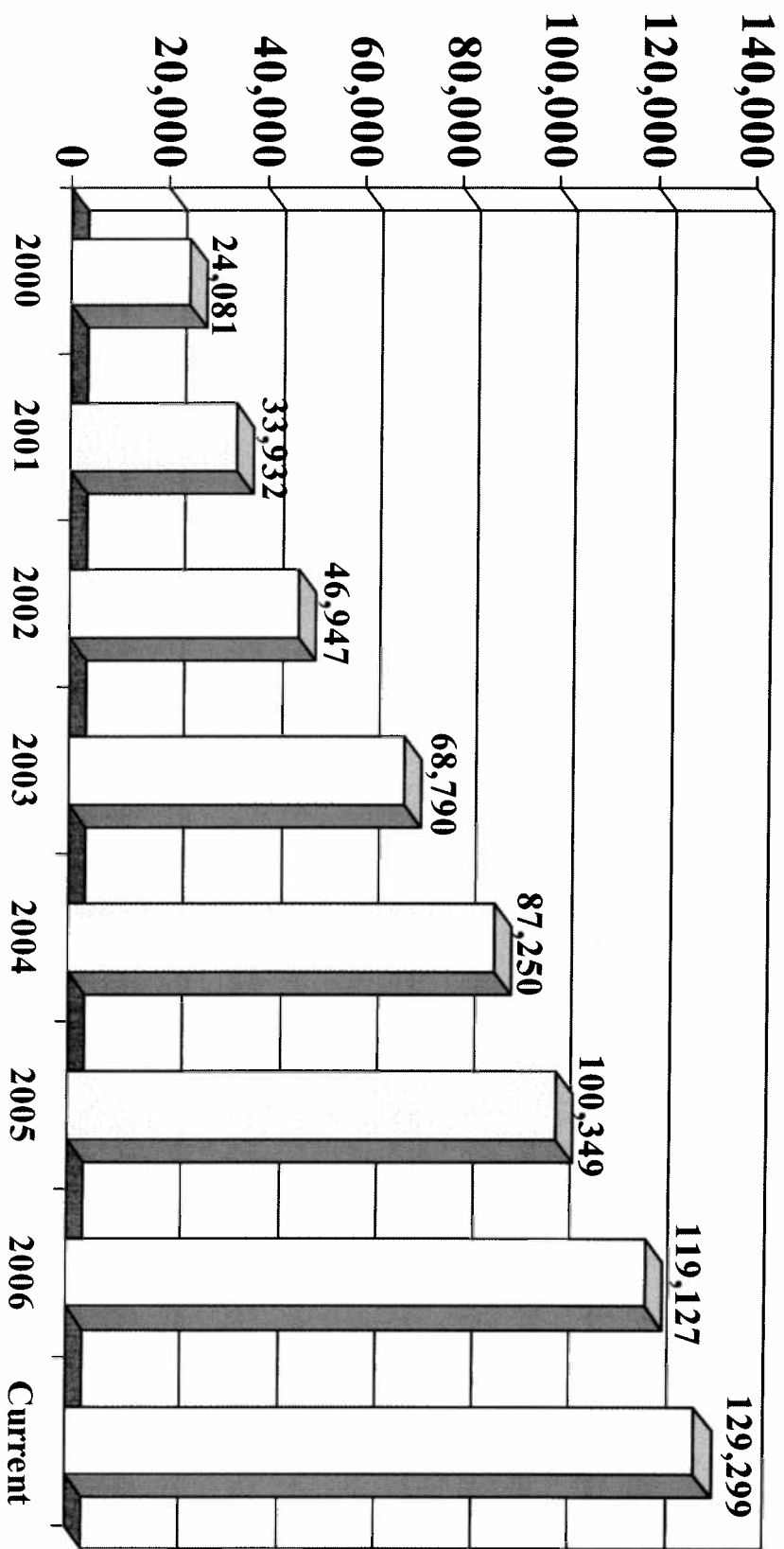


Current Service Area





HPM Membership Growth





Health Information Technology

- HPM utilizes an internally developed, proprietary managed care system
 - Developed in 2002 and phased in over two years
 - Supports all health plan functions, including:
 - Eligibility/Enrollment
 - Provider Network Management
 - Claims Processing
 - Member Contact Tracking
 - Care Management and Authorizations
 - Health Risk Assessment (HRA)
 - Preventive Health Outreach
 - Performance Reporting/HEDIS
 - Portal for Provider Access



Health Information Technology

- Benefits of a single, integrated system for all health plan operations
 - Reduces Administrative Costs
 - Timely and Efficient Claims Processing
 - Common Data Source for all HPM Users
 - Standardized Reporting
 - Coordination of Care
 - Health Risk Assessment (HRA)
 - Preventive Care and HEDIS Reporting
 - Shared Information with External Users
 - Providers and Hospitals



Administrative Efficiency

- **Claims Processing**
 - Transition from manual data entry of claims to scanning and vertexing of documents
 - Increased productivity of claims adjudicators from 18 Claims per Hour to 38 Claims per Hour
 - Reduced turnaround time for claims processing from 10 Days to 2 Days
 - Electronic Data Interchange (EDI)
 - HIPAA compliant transactions
 - Increased auto-adjudication rate



Claims Processing Metrics

Average Weekly Claim Volume	31,268
EDI Submission Rate	64%
Auto Adjudication Rate	74%
Average Time to Process	2 Days

**Based on most current claims statistics for May 2007.*

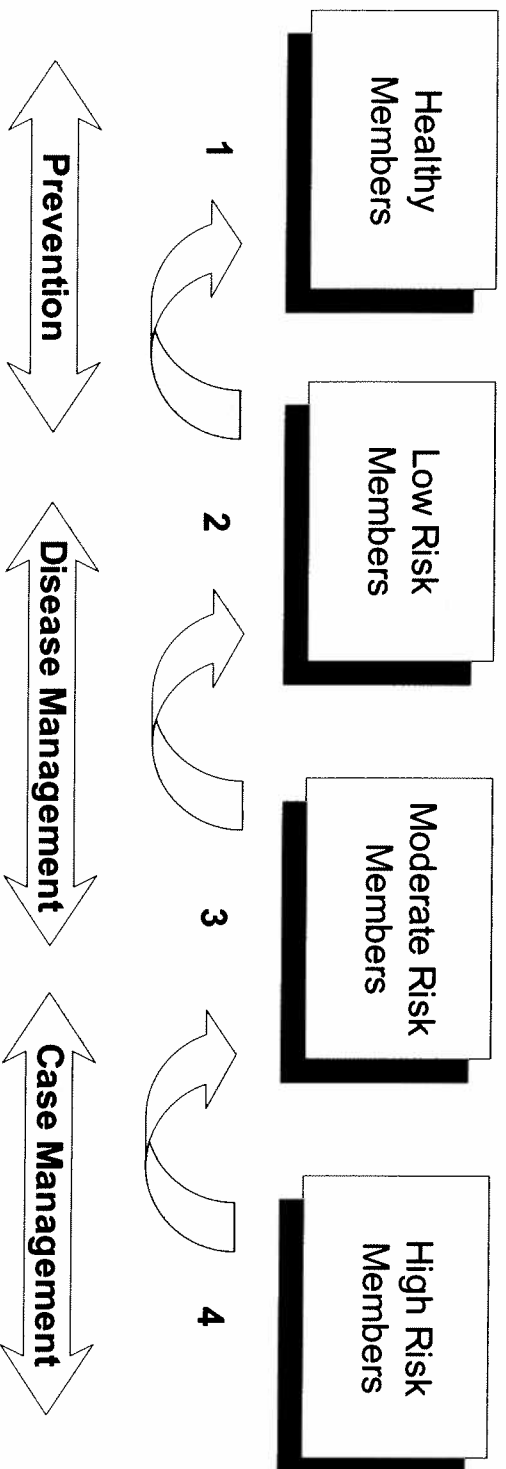


Coordination of Care

- Paperless Authorization Process
 - Providers enter directly into MCS
 - Faxes from providers are received electronically and attached to the authorization record
 - Automatic provider notifications regarding the status of an authorization
- Integrated Health Risk Assessment (HRA)
 - Incorporates claims data and self-reported information into a complete member profile
 - Used to provide targeted educational materials for Disease Management programs



Coordination of Care





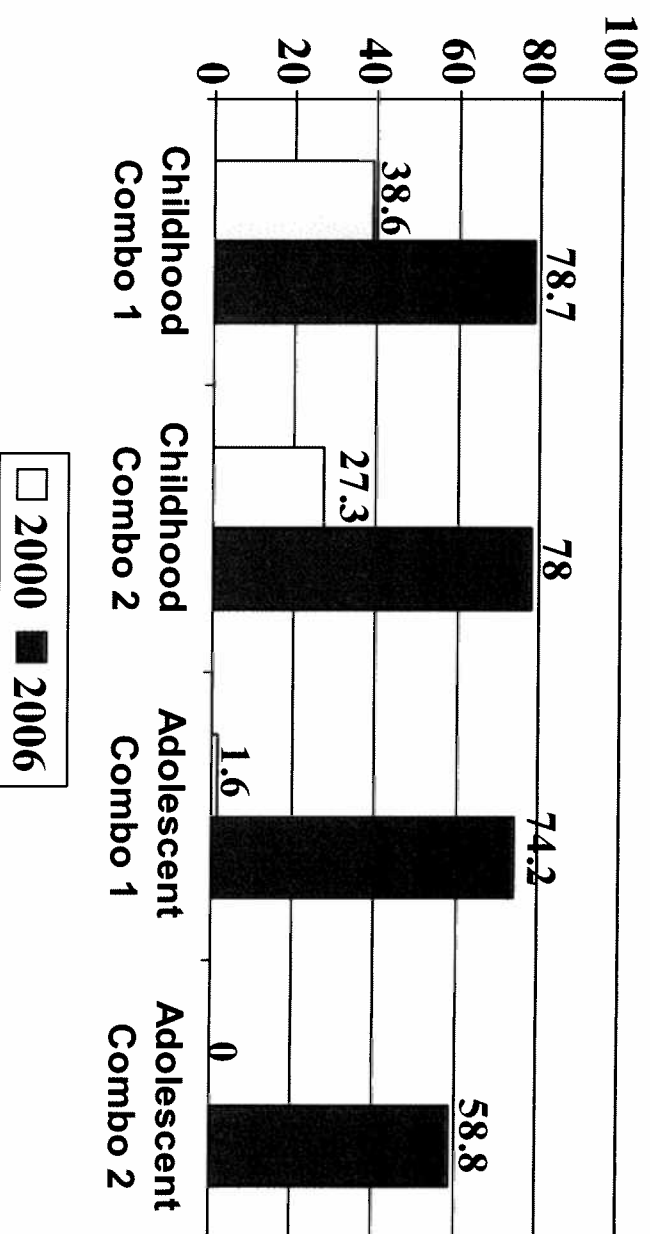
Coordination of Care

- Preventive Health Outreach and HEDIS
 - Members in need of preventive health services are identified in the system with a red “H”
 - Can be viewed by internal and external users
 - Allows for preventive health reminders to be provided during routine contacts with enrollees or providers
- Common Source of Data to Support
 - Telephonic Outreach Reminders
 - Postcard Mailings
 - Annual HEDIS Reporting to the State



HPM HEDIS Improvement

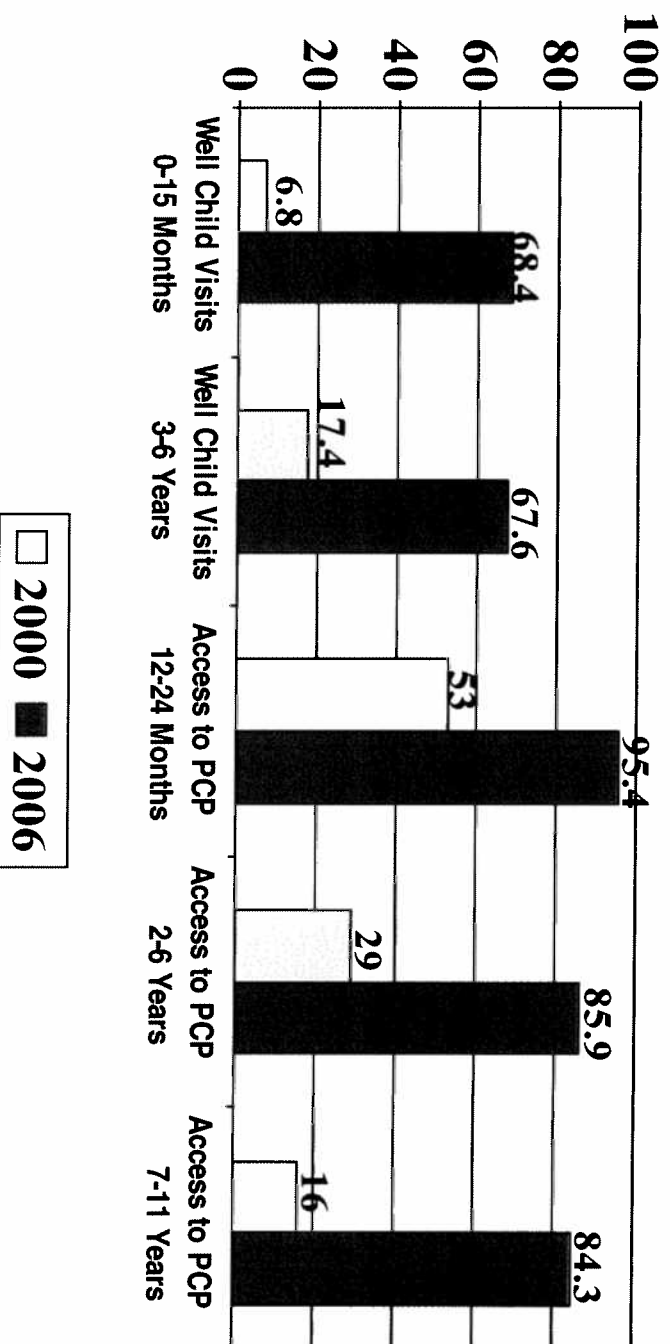
Child and Adolescent Immunizations





HPM HEDIS Improvement

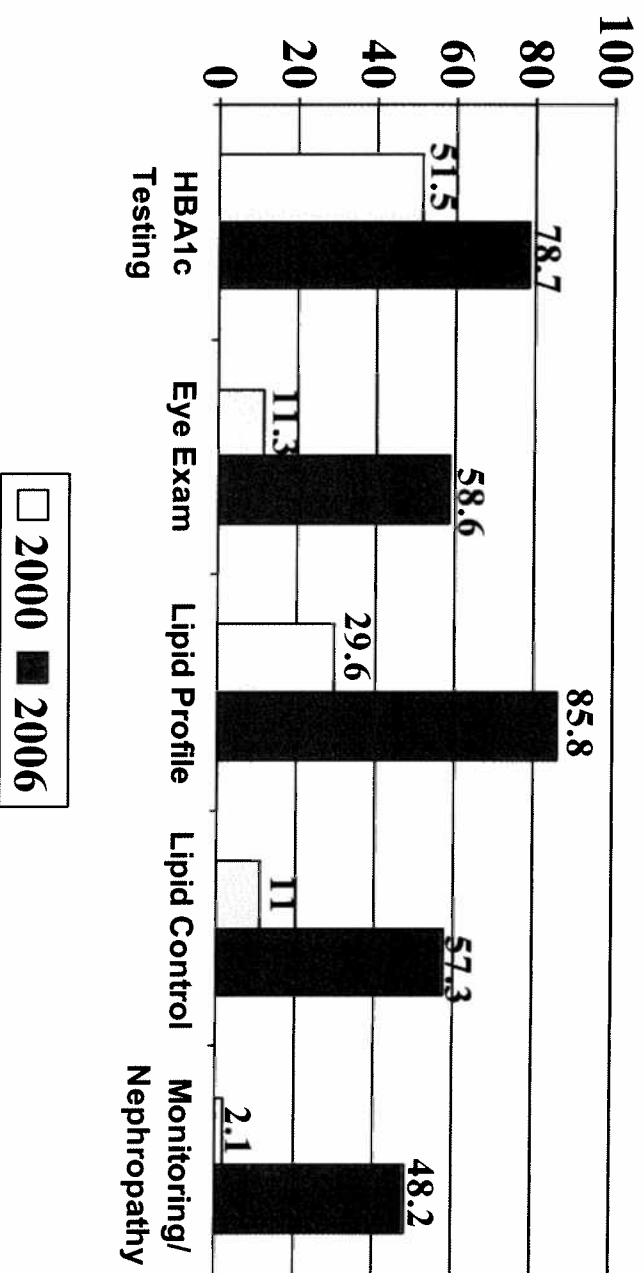
Children's Access to Care





HPM HEDIS Improvement

Comprehensive Diabetes Care





Provider Access to MCS

- The MCS system is installed free of charge in provider offices and hospitals
 - System is accessible 24 hours per day, regardless of whether the HPM offices are open
 - Reduces administrative time spent calling or faxing between providers and the health plan
- Provider Utilization of MCS
 - First quarter of 2007, MCS was accessed by:
 - 4,076 Users
 - 471 Locations
 - 45,035 Searches



Benefits of System Integration

- Providers with MCS in their offices can:
 - Verify Eligibility with HPM, other Medicaid Health Plans and Medicaid Fee-For-Service
 - Request Prior Authorization for Services
 - View the Status of a Claim
 - View Member Third Party Liability Information
 - Review current preventive health needs for their assigned patients
 - Review and print copies of the Health Risk Assessment (HRA) for their assigned patients
 - Includes historical claims data and pharmacy profile



Summary

- The health care system is driven by data
- Access to necessary information at the right time is critical for high quality medical care and efficient administrative operations
- One of the keys to HPM's success has been its internally developed managed care system, which provides a single source of data for both internal and external users
- HPM strongly supports the investment of resources into health information technology



Contact Information

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2006



Health Plan of Michigan

2006 Annual Report Card



Corporate Information

Our Mission:

Improving the quality of care in a low resource environment.

Our Vision:

To be one of the "Top 3" Medicaid health plans in the State of Michigan, providing quality care to our members.

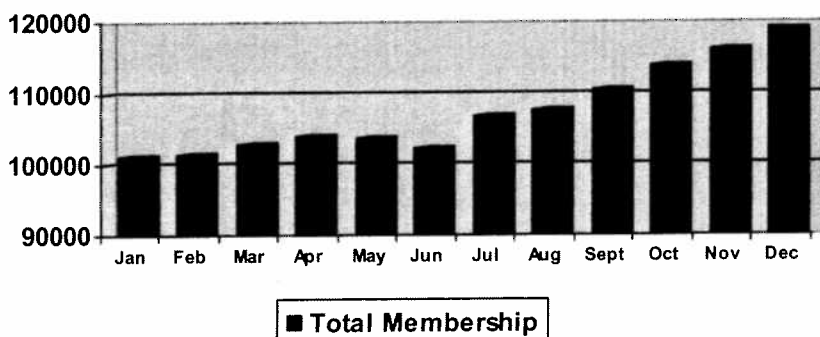
To be ranked among the "Top 25" Medicaid health plans nationally, according to U.S. News and World Report.

Health Plan of Michigan is the third largest Medicaid HMO in the State of Michigan, providing health care to over 125,000 Medicaid enrollees through a contract with the Michigan Department of Community Health (DCH).

HPM is a privately owned and physician managed Medicaid health plan. Its corporate headquarters is located in Southfield, Michigan. Currently HPM operates in 33 counties.

In 2006, HPM experienced membership growth of 18%, from 101,095 in January 2006 to 119,127 in December 2006.

HPM 2006 Membership Growth



HEALTH PLAN OF MICHIGAN

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Fax: (248) 204-0452

Visit us on the web at:
www.hpmich.com

HPM Maintains NCQA Excellent Accreditation

HPM has achieved "Excellent" Accreditation from the National Committee for Quality Assurance (NCQA). This is the highest level of accreditation that a health plan can obtain.

HPM was also rated 28th among all Medicaid health plans in the country according to *U.S. News and World Report* magazine.



Timely and Efficient Claims Payment

HPM consistently meets the State of Michigan performance requirements for timely claims payment.

Total Claims Processed in 2006 = 1,317,943

Average Monthly Claims Volume = 109,829

Average Claims Payment Time = 3 Days

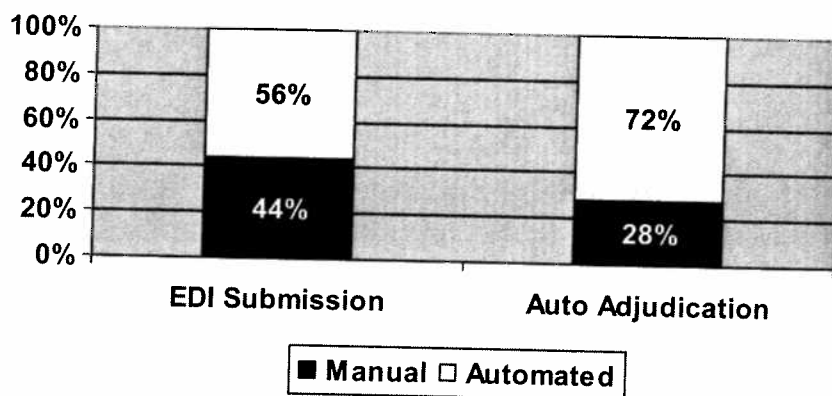
Claims Payment Accuracy Level = 99.7%

% of Calls Answered in 30 Seconds = 97%

HPM is continually making efforts to improve upon the efficiency of its claims payment by increasing automation of its processes. The two measures of claims efficiency are electronic claims submission and auto-adjudication. These automated processes support timely claims payment.

The following chart shows the automation of HPM's claims processing.

Efficiency of Claims Processing



Health Plan of Michigan's Managed Care System (MCS)

One of the most significant factors in HPM's success is its internally developed, proprietary managed care system (MCS). This system is used to operate all aspects of our business, including claims, authorizations, provider contracts, member outreach, case management, disease management and HEDIS reporting. It is available free of charge to our providers. Providers with MCS in their offices can:

- Verify the patient's Medicaid coverage
- Enter an authorization request or review the status of an authorization
- View the status of payment for a claim
- Find out about a patient's preventive health needs
- View the health risk assessment for each of their assigned patients

Currently, there are over 4,000 external users of MCS.

Providing Quality Care for our Members

State of Michigan Performance Measures

Child Immunizations

Goal: 77% HPM: 78%

Well Child (0-15 Months)

Goal: 96% HPM: 97%

Well Child (3-6 Years)

Goal: 60% HPM: 60%

Blood Lead Testing

Goal: 70% HPM: 75%

Prenatal Care

Goal: 82% HPM: 83%

Postpartum Care

Goal: 58% HPM: 57%

HPM has made HEDIS® improvement a corporate priority, with a goal of becoming one of the Top 3 Medicaid health plans in the State of Michigan in terms of its HEDIS performance. In 2006, HPM was among the top three Medicaid health plans in the State of Michigan for the following HEDIS measures:

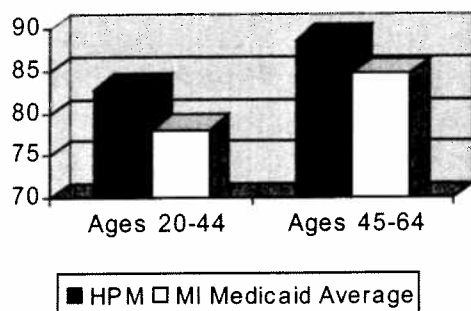
- Adolescent Well Care
- Appropriate Asthma Medications (Combined Rate)
- Children's Access to PCP - 2 to 6 Years
- Children's Access to PCP - 7 to 11 Years
- Children's Access to PCP - 12 to 19 Years
- Well Child 0-15 Months (6 or More Visits)
- Well Child 3-6 Years
- Controlling High Blood Pressure

Throughout the year, HPM monitors its HEDIS performance and conducts improvement activities to meet its goals, including education and outreach to members and providers.

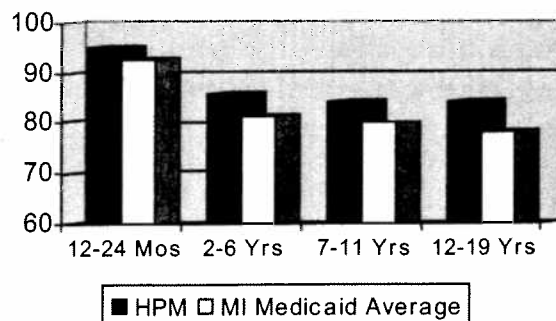
Access to Care for Adults and Children

HPM has achieved excellent scores on the HEDIS Access to Care measures for adults and children. Our performance exceeds the State of Michigan Medicaid health plan average for all access measures.

HEDIS 2006 Adult Access Rates



HEDIS 2006 Child Access Rates



* HEDIS is a registered trademark of the National Committee for Quality Assurance (NCQA).

Member Service and Outreach Results

The Member Services Department responds to calls from members related to PCP changes, benefit questions, provider referrals and a variety of other topics.

2006 Key Statistics:

Number of Telephone Inquiries = 179,728

Average Monthly Call Volume = 14,977

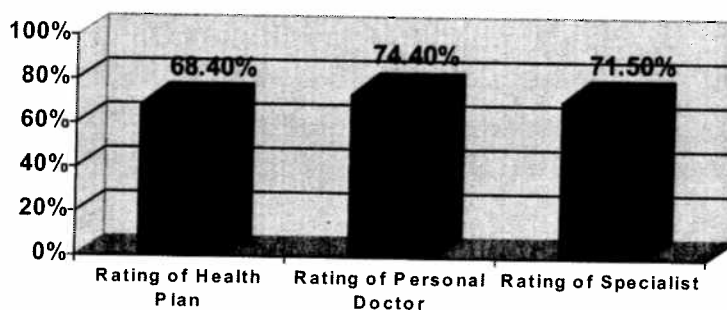
% of Calls Answered within 30 Seconds = 98%

Average Abandonment Rate = <1%

HPM is striving to improve its member satisfaction scores, as measured by the Consumer Assessment of Health Plans Survey (CAHPS). This survey is a standardized tool that is used by all health plans in the State of Michigan.

The chart below shows the percent of members who rated HPM an 8, 9 or 10 on a scale of 1 through 10, with 10 being the best possible rating. HPM experienced an increase in satisfaction with the health plan compared to 2005. We continue to look for ways to improve member satisfaction.

HPM 2006 CAHPS Scores



HPM 2006 Member Outreach Activities and Results

HPM is committed to keeping our members healthy. In order to demonstrate our commitment, we have dedicated significant resources to our member outreach programs. The following is a summary of HPM's outreach efforts for 2006:

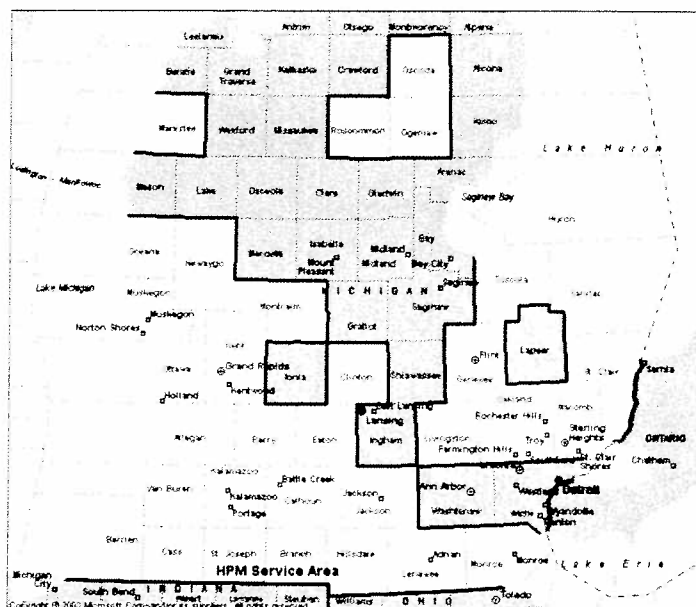
- HPM's Member Outreach Team made over **95,000 calls** to provide reminders to our members about important preventive services such as immunizations, well child visits and cancer screenings.
- There were over **20,000 members** who went to the doctor for one of these services after they received an outreach reminder call from HPM.
- Over **5,500 hours** of staff time were utilized to make member outreach calls in 2006.
- HPM mailed over **48,000 outreach postcards** to its members in 2006.
- Over **3,600 incentives** were distributed to members for obtaining preventive health services. These incentives included phone cards, gift cards and gas cards.

Provider Network and Service Area

Health Plan of Michigan currently operates in 33 counties throughout the State of Michigan. We have developed one of the largest Medicaid provider networks in the State of Michigan, including:

- 1,500 Primary Care Providers
- 4,000 Specialists
- 73 Hospitals

HPM is continually seeking ways to improve access within our service area, as well as expanding into new service areas.



Provider Bonus Incentive Program

HPM has developed a “pay for performance” program for its primary care providers to encourage them to provide necessary preventive care to our members. This program rewards our providers with additional payments for necessary preventive services such as well child visits, immunizations, cancer screenings and timely pregnancy care.

For the year 2006 to date, HPM has already paid out over **\$2.5 Million** in provider bonus payments.

Provider Satisfaction with HPM

HPM maintains a high level of provider satisfaction, as demonstrated by our annual survey.

- 84% of providers reported that they are satisfied with the HPM Provider Services department.
- 74% of HPM providers say they would recommend HPM to their patients.
- 81% of providers responded that they understand the HEDIS requirements.
- 77% of providers are satisfied with the HPM provider bonus incentive program.



House Health Policy Committee

Thursday, June 7, 2007



The Problem

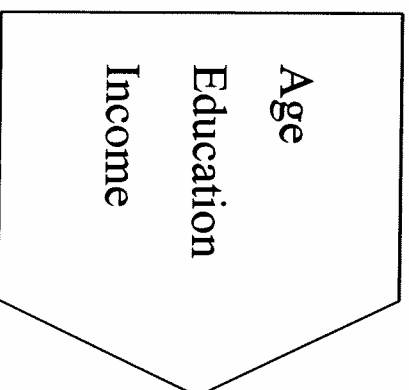
Quality Chasm

- 54% of Care meets Standards
- 90,000 Inpatient Deaths/Year

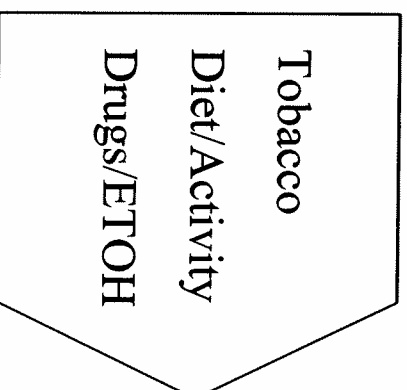
Affordability

- HCl:CPI 3:1

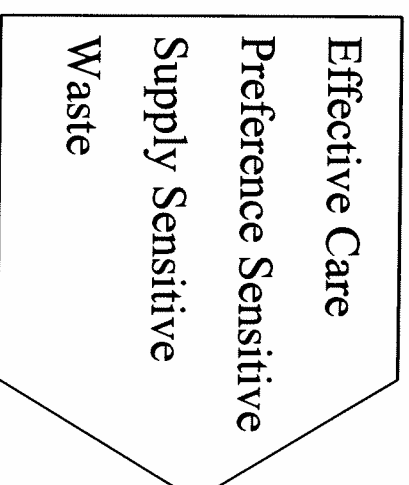
Demographics



Behaviors

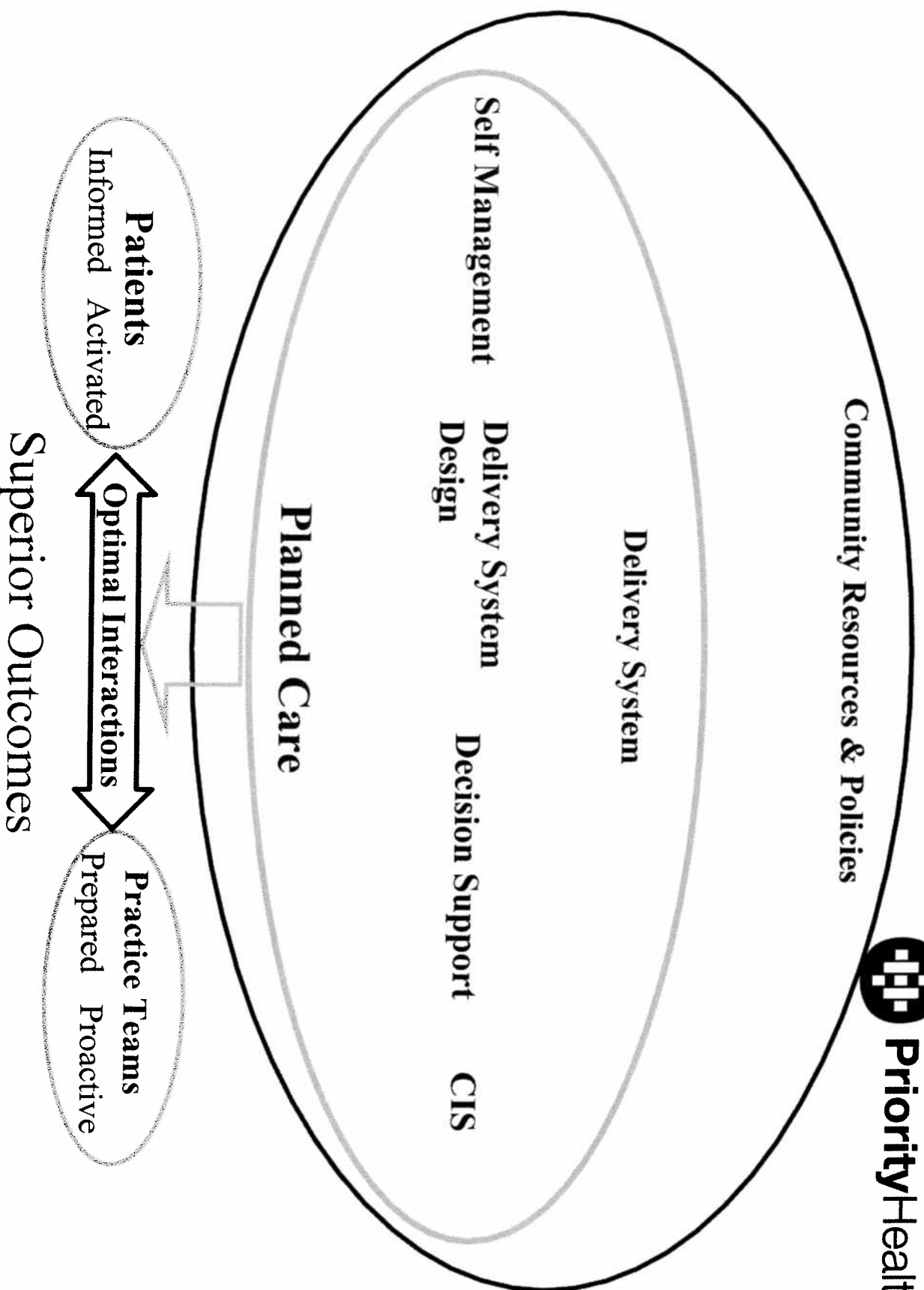


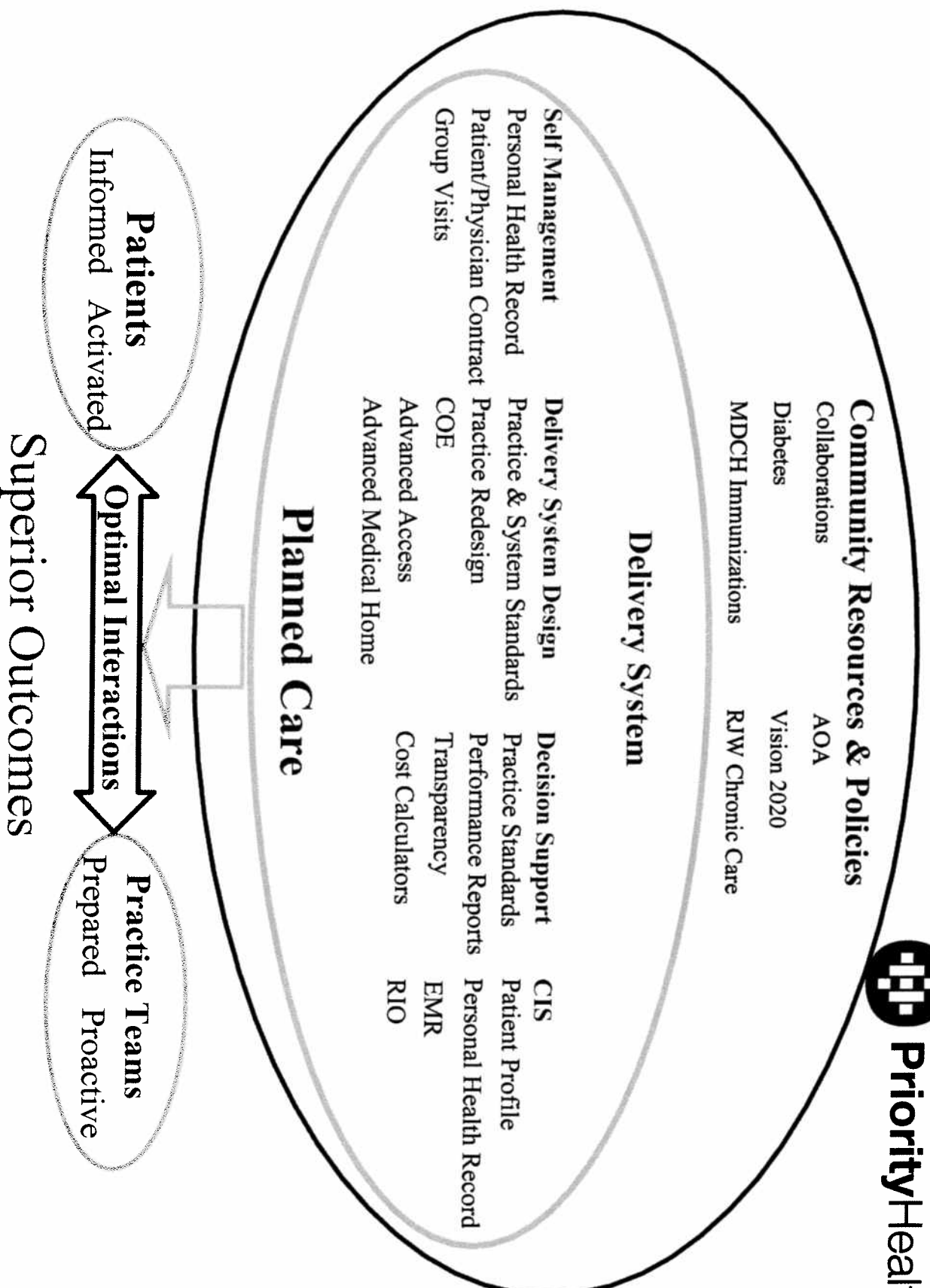
Delivery Model



Priority Health Approach

- Focus
- Align
- Accelerate





Aligning Stakeholders

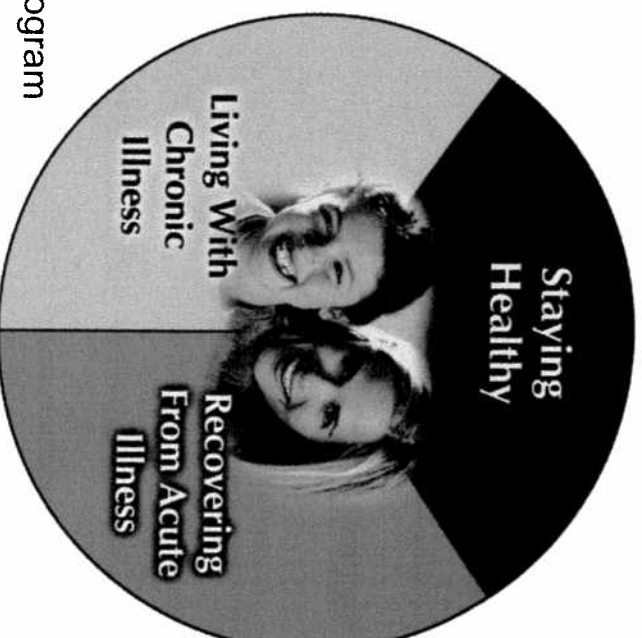


Provider

- Evidence-based guidelines
- Data tools
- Practice redesign

Employer

- Health Profile Consultation
- Screening services
- Worksite Wellness classes
- Incentive Bonafide Health Program



Insurer

- Benefit design
- Evidence based tools
- Actionable data
- Alignment

Community

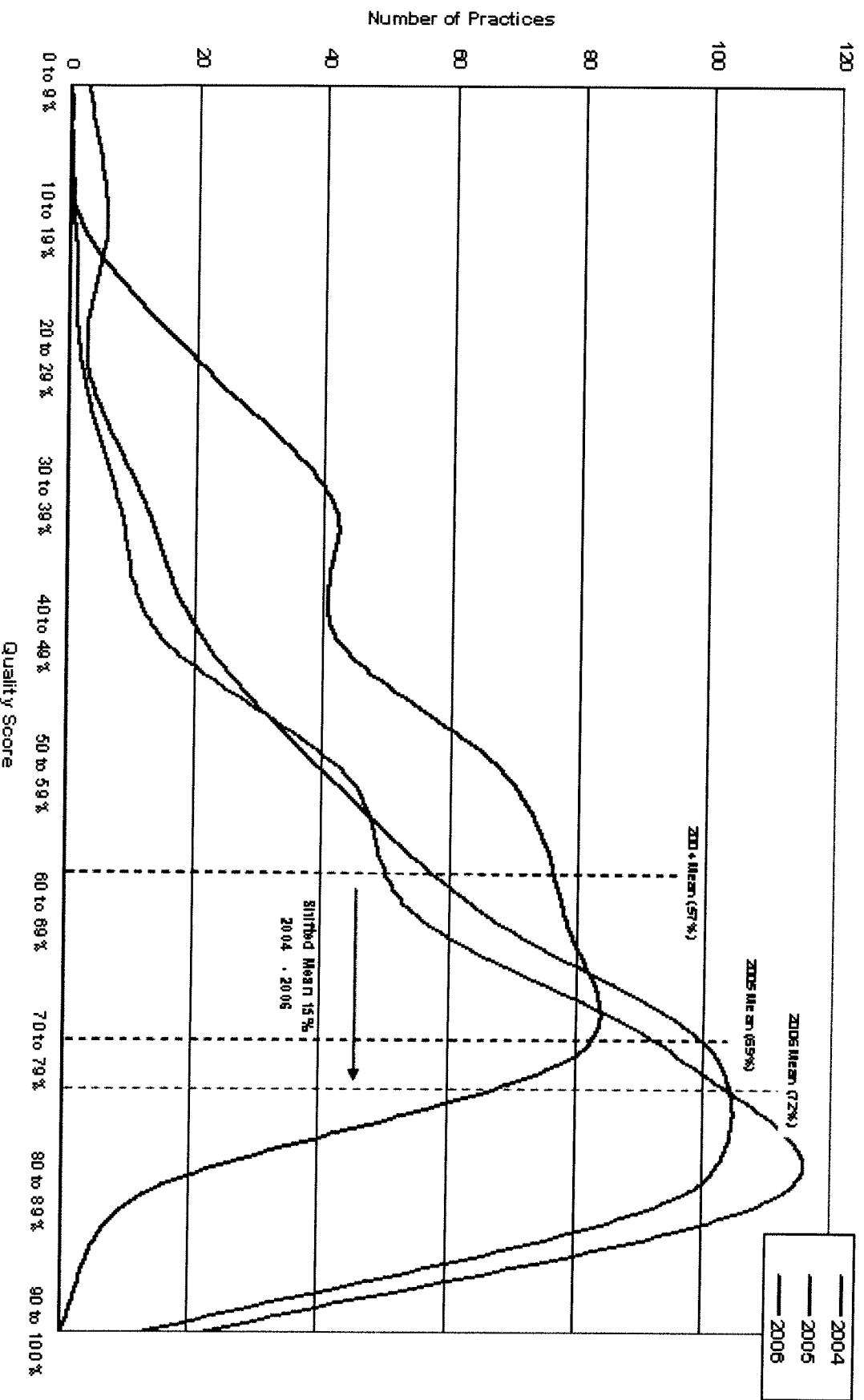
Promotes healthy behaviors

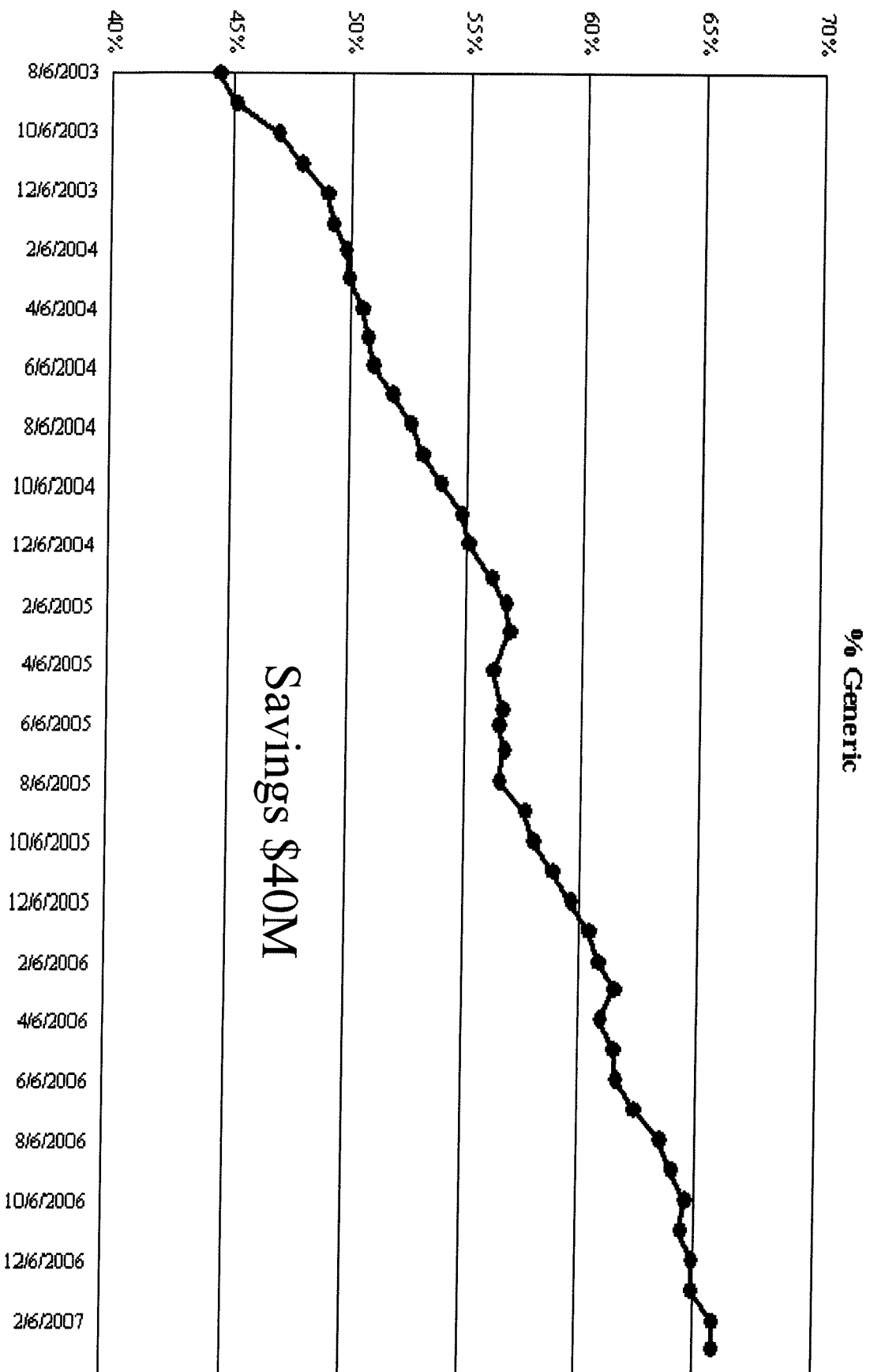
- School Outreach
- Community Collaborations
- Health Policy Change

Member

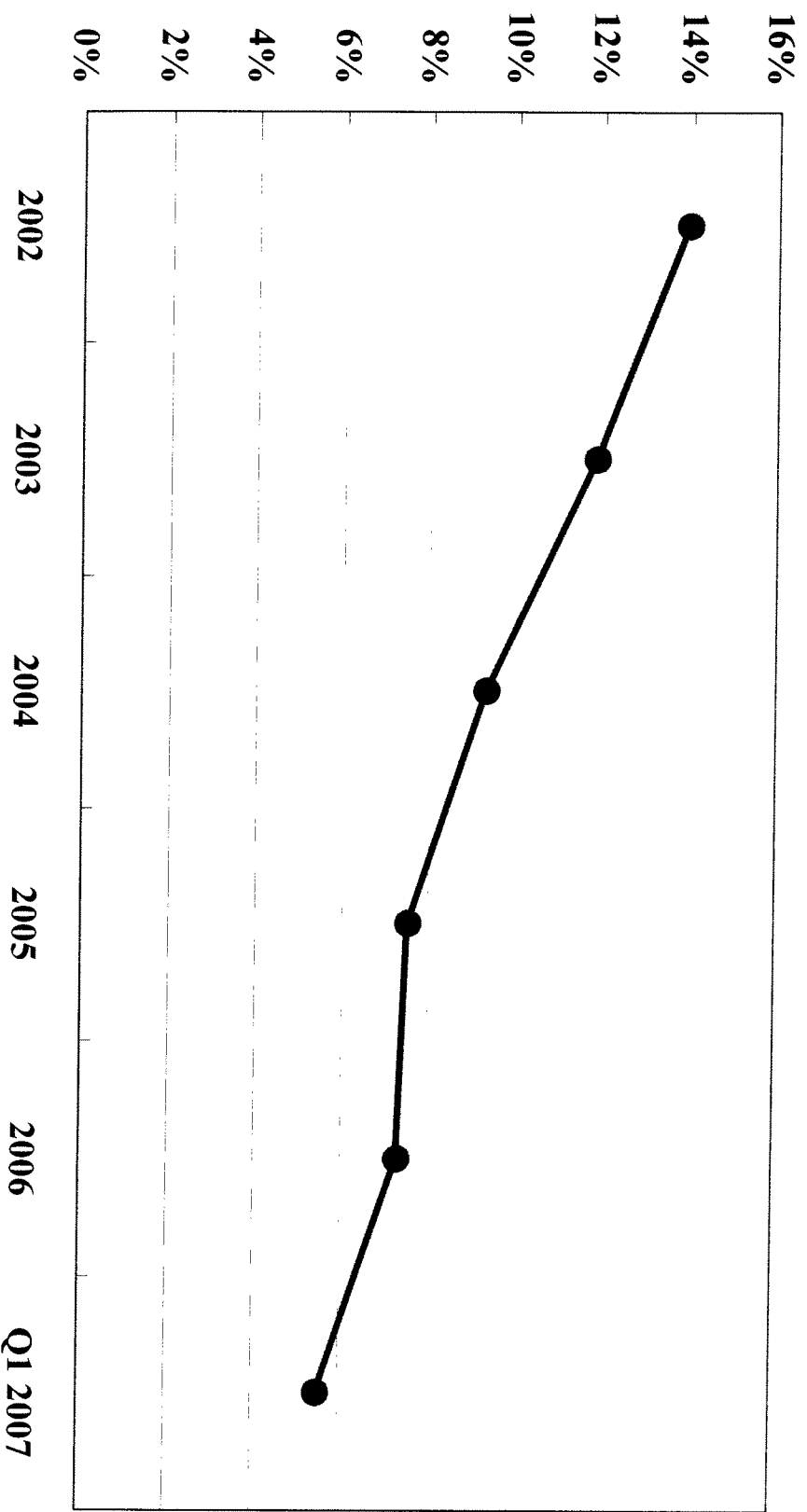
- Personal Health Record
- Targeted Communications
- Case Management
- HealthFit Discounts
- HealthyEncounter Classes
- Incentives

Quality Performance – 380 Practices 2004 to 2006





Annual Premium Increase



National Recognition

#1 in Michigan 5 years in a row, NBCH

#1 in the Nation in 2005, NBC

Top 5% of all US Health Plans, NCQA

Top 2% Diabetes Care, NCQA

Driving Value in Healthcare 2007; NBCH,

Leapfrog and Bridges to Excellence

National Leadership Award in Asthma

Management 2007, EPA